

Message Text

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ACTION EB-07

INFO OCT-01 ISO-00 AF-10 ARA-06 EA-07 EUR-12 NEA-10
OIC-02 AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00
FRB-03 H-01 INR-07 INT-05 L-03 LAB-04 NSAE-00
NSC-05 PA-01 EPG-02 AID-05 SS-15 STR-04 ITC-01
TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01 XMB-02
/124 W

-----251733Z 041481 /42

R 251600Z MAY 77

FM USMISSION GENEVA
TO SECSTATE WASHDC 7654
INFO ALL EC CAPTIALS
AMEMBASSY HELSINKI
AMEMBASSY OTTAWA
AMEMBASSY TOKYO
USMISSION UN NEW YORK
AMEMBASSY OECD PARIS
AMEMBASSY BUDAPEST

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E.O. 11652: N/A

TAGS: GATT ETRD

SUBJECT: GATT COUNCIL, MAY 23

REF: STATE 115340

FOLLOWING IS SUMMARY OF ACTIONS TAKEN AT GATT COUNCIL, MAY 23:

1. REPORT OF TEXTILES COMMITTEE. EGYPT SAID THEY DID NOT
ESPECIALLY LIKE MFA BUT FELT IT PROVIDED A FRAMEWORK AND RE-
GRETTEED IT HAD NOT YET BEEN EXTENDED. BRAZIL, IN URGING MFA
RENEWAL BY EARLY JUNE, NOTED THAT CIEC HAD APPROVED A TEXT
STATING THAT PARTICIPANTS AGREED THAT CURRENT DELIBERATIONS
ON MFA FUTURE SHOULD BE CONLUDED QUICKLY, AS UNCERTAINTY
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HARMS LDC EXPORTERS. INDIA SAID "IRRETRIEVABLE HARM"
WOULD RESULT IF MFA EXTENSION NOT SOON AGREED AND ALSO
REFERRED TO CIEC STATEMENT. KOREA NAD HONG KONG SUP-
PORTED. U.S., PER PARA 6 OF REFTTEL, REGRETTEED INABILITY
OF SIGNATORIES TO AGREE ON EXTENSION AND URGED EARLY
DECISION TO CONTINUE MFA AS IS. EC SAID "EXTRAORDINARY"
IMPORT INCREASES HAVE CAUSED SOCIAL PROBLEMS HAVING

POLITICAL IMPLICATIONS; EC TRYING TO ELABORATE PROPOSALS TO MAKE AGREEMENT MORE JUST. EC TOOK NOTE OF APPEALS FOR EARLY RENEWAL, AND PROMISED "WORK ON A DATE FOR REACHING A POSITION". JAPAN SIMPLY HOPED NEXT TEXTILES COMMITTEE COULD BE CONVENED EARLY SO ALL COULD PARTICIPATE IN DISCUSSION. COMMITTEE'S REPORT WAS ADOPTED.

2. POLAND WP REPORT. ADOPTED.

3. FINLAND-HUNGARY WP REPORT. HUNGARY OFFERED TO SUPPLY ADDITIONAL INFORMATION ON AGREEMENT IF REQUESTED. FINLAND UNDERSTOOD AGREEMENT WAS "SOMETHING OF A NOVELTY" AND SAID THEY HAPPY TO COOPERATE WITH EXAMINATION. U.S. APPRECIATED ADDITIONAL INFORMATION RESULTING FROM SECOND WP REPORT BUT FELT WP HAD ADDITIONAL WORK TO UNDERTAKE. EC AGREED. HUNGARY, CZECHOSLOVAKIA, POLAND SAID WP HAD NO NEED FOR FURTHER WORK. COUNCIL CHAIRMAN NOTED LACK OF UNANIMOUS CONCLUSIONS IN WP REPORT AND SUGGESTED COUNCIL APPROVE CONTINUATION OF WP WORK; "IN THE LIGHT OF FURTHER EXPERIENCE AND IN CONSULTATION WITH OTHER DELS, APPROPRIATE DATE FOR FURTHER WORK" TO BE ESTABLISHED. WHEN HUNGARIANS REFUSED "CHANGE ATTITUDE" RE ADVISABILITY OF CONTINUING WP, CHAIRMAN GAVELED THROUGH ADOPTION OF REPORT "WITH RESERVATION OF HUNGARIAN DEL". THUS, WAY IS OPEN FOR EVENTUAL RECONVENING OF WP.

4. U.S. WAIVER ON CANADIAN AUTO AGREEMENT. COUNCIL CARRIED OUT FIFTH REVIEW AND TOOK NOTE OF REPORT WITHOUT LIMITED OFFICIAL USE

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COMMENT.

5. ZENITH CASE. WORKING PARTY ESTABLISHED; TO MEET JUNE 2-3. SEE GENEVA 4073

6. DISC AND RELATED TAX PRACTICES. AFTER LENGTHY DISCUSSION, COUNCIL DECIDED TO REVERT TO QUESTION OF ADOPTION OF REPORTS AT A FUTURE SESSION. SEE GENEVA 4083.

7. REVISION OF SALARY SCALES. ADOPTED.

8. GATT SALARIES AND ALLOWANCES. EC, U.S., NORDICS, CANADA, AUSTRALIA REJECTED TOMIC PROPOSAL. YUGOSLAVIA, SUPPORTED BY SEVERAL LDC'S, SUGGESTED 515,000 SWISS FRANCS CURRENTLY IN SUSPENSE ACCOUNT REMAIN THERE UNTIL

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SOME OTHER SOLUTION COULD BE REACHED. COUNCIL, HOWEVER, RECONFIRMED 1974 DECISION TO PLACE THIS MONEY IN THE BUILDING FUND, AND THE SUSPENSE ACCOUNT WAS FINALLY DISSOLVED. GATT STAFF REPRESENTATIVE BEMOANED "DROWNING" OF STAFF IN UN SYSTEM, COMPLAINED OF MORALE DAMAGE, AND PROMISED TO PRESENT SOME FUTURE PROPOSALS ON PENSIONS AND ONGOING CONTACT BETWEEN STAFF ASSOCIATION AND CP'S.

9. WP ON TRADE WITH HUNGARY. WP ESTABLISHED TO CONDUCT SECOND CONSULTATION PROVIDED IN ACCESSION PROTOCOL, WITH CHAIRMAN TO BE NOMINATED LATER. COMMENT: WUP UNLIKELY TO CONVENE UNTIL FALL.

10. OTHER BUSINESS.
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A. GREEK INCREASES IN BOUND DUTIES. GREECE
CALLED ATTENTION TO SETTLEMENT NOTED IN L/4489.

B. SWEDAN -- WITHDRAWAL OF TARIFF CONCESSION ON BEER. SWEDAN INTRODUCED REQUEST FOR ARTICLE XXVIII:4 AUTHORITY TO MODIFY DUTY ON BEER "AS A RESULT OF TEMPORARY POLICIES IN SWEDEN". GATT DOCUMENT WILL SOON BE CIRCULATED. COUNCIL WILL REVERT TO MATTER AT NEXT SESSION.

C. EC-MASHRAG AGREEMENTS. EC INFORMED COUNCIL NEW AGREEMENTS HAD BEEN SIGNED, BOTH TO FIT POLICIES TOWARD LDC'S AND STRENGTHENING OF TIES BETWEEN EC AND ARAB COUNTRIES. EC SAID AGREEMENTS DO NOT PROVIDE FOR REVERSE PREFERENCES AND TEXTS WILL BE NOTIFIED. CHAIRMAN STATED COUNCIL COULD REVERT TO MATTER WHEN TEXTS AVAILABLE.

D. AUSTRALIA/PAPUA NEW GUINEA WP. BARTHEL-ROSA OF BRAZIL APPROVED AS CHAIRMAN. SORENSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition Reason:
Disposition Remarks:
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Secure: OPEN
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TAGS: ETRD, GATT
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vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/ad33d18a-c288-dd11-92da-001cc4696bcc
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